

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-045-24563
2. Name of Operator Epic Energy, LLC		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 7415 E. Main St., Farmington, NM 87402		6. State Oil & Gas Lease No. Federal SF 078430
4. Well Location Unit Letter <u>C</u> : 810 feet from the <u>North</u> line and <u>1770</u> feet from the <u>West</u> line Section <u>11</u> Township <u>26N</u> Range <u>8W</u> NMPM San Juan County		7. Lease Name or Unit Agreement Name Nickson
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6229' GL		8. Well Number #11E
9. OGRID Number 372834		10. Pool name or Wildcat Ballard PC / Basin Dakota

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Epic Energy, LLC proposes to downhole commingle the production from the Basin Dakota (71599) and the Ballard Pictured Cliffs (71439) in the subject wellbore. These two pools are "pre-approved" under Division Order R-11363. All working and revenue interests in the two pools are identical. The Basin Dakota is perforated from 6556' to 6756'. The Ballard Pictured Cliffs is completed in the interval from 2216' to 2246'. Based on the production from 2010 through 2014, it is proposed to allocate 80.4% of the gas production and 100% of the oil production to the Dakota formation and 19.6% of the gas production to the Pictured Cliffs formation. Downhole commingling of these two zones will not reduce the value of the total remaining production. The BLM has been notified of this application (see attached 3160-5).

DHC #4071AZ

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thompson TITLE President DATE 7/20/18

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net PHONE: 505-327-4892

For State Use Only

APPROVED BY: [Signature] TITLE GEOLOGIST DISTRICT #3 DATE 8/2/18
 Conditions of Approval (if any): [Signature] NMOCD

JUL 26 2018
 DISTRICT III
 10

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Branzos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Epic Energy, LLC., 7415 E. Main St. Farmington, NM 87402 Address

Lease Nickson #11E Well No. C Section 11, T26N R8W Unit Letter-Section-Township-Range San Juan County

OGRID No. 372834 Property Code _____ API No. 30-045-24563 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Ballard Pictured Cliffs		Basin Dakota
Pool Code	71439		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2216 - 2246		6556 - 6756
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	225 psi (est.)		240 psi (est.)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.057 MMBtu/Mcf		1.163 MMBtu/Mcf
Producing, Shut-In or New Zone	Shut In		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: September 2015 Rates: 15 MCFD & 0 BOPD	Date: Rates:	Date: June 2016 Rates: 42 MCFD & .4 BOPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 19.6 %	Oil Gas % %	Oil Gas % 100 % 80.4

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: Rule 11363

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thompson TITLE President DATE 7/20/18

TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO. (505) 327 - 4892

E-MAIL ADDRESS paul@walsheng.net

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT "A"

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

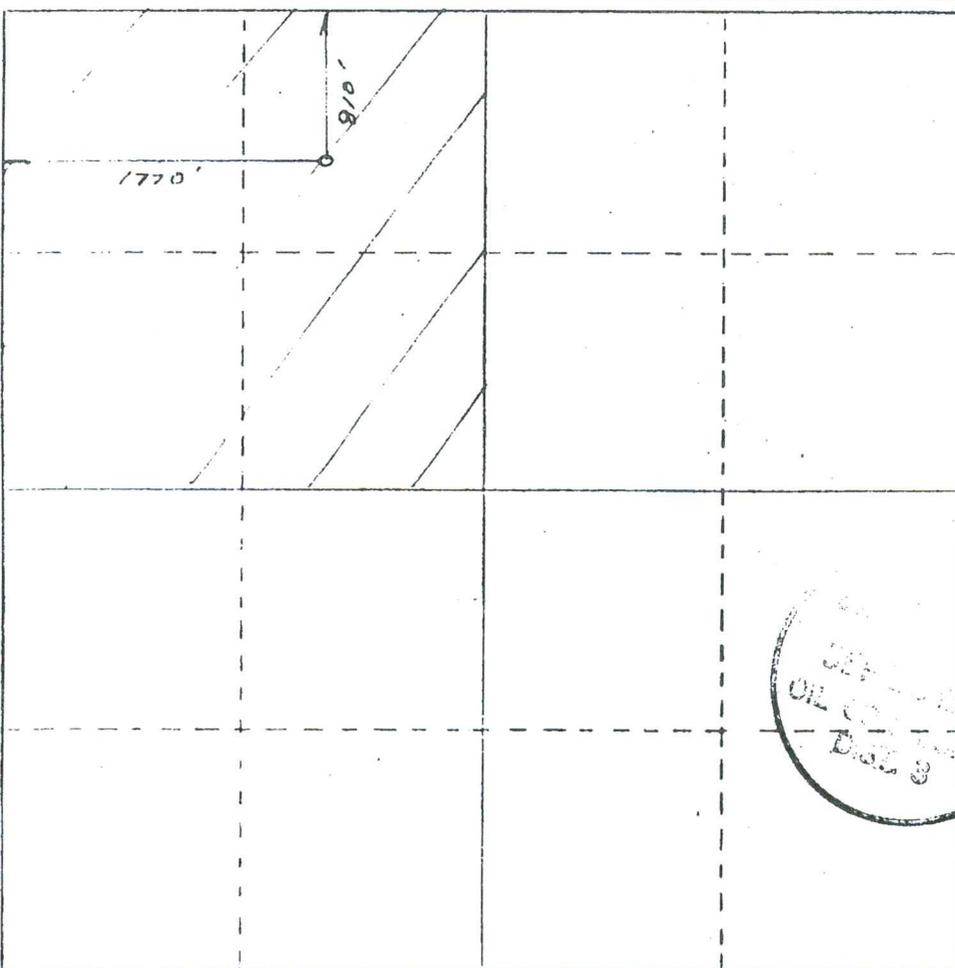
Owner Supron Energy Corporation			Lease SF-078430		Well No. Nickson #22
Section C	Section 11	Township 26 North	Range 8 West	County San Juan	
Well Location of Well: 810 feet from the North line and 1770 feet from the West line.					
Well Level Elev. 6229'	Producing Formation Pictured Cliffs		Pool Ballard Pictured Cliffs E & S	Dedicated Acreage 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George Lapaseotes

Name **George Lapaseotes**
V. Pres. Powers Elevation

Position
Agent Consultant for

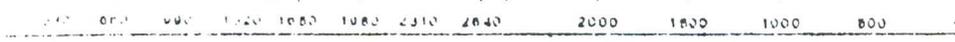
Company
Supron Energy Corporation

Date
August 26, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

29 *John Huddleston*
Date Surveyed
John Huddleston

Registered Professional Land Surveyor
and or Registered Professional Engineer
5879



NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION

EXHIBIT "A"

Form C-102
 Supersedes C-120
 Effective 1-1-65

So. Union Expl. Co.

Well location must be from the outer boundaries of the fraction

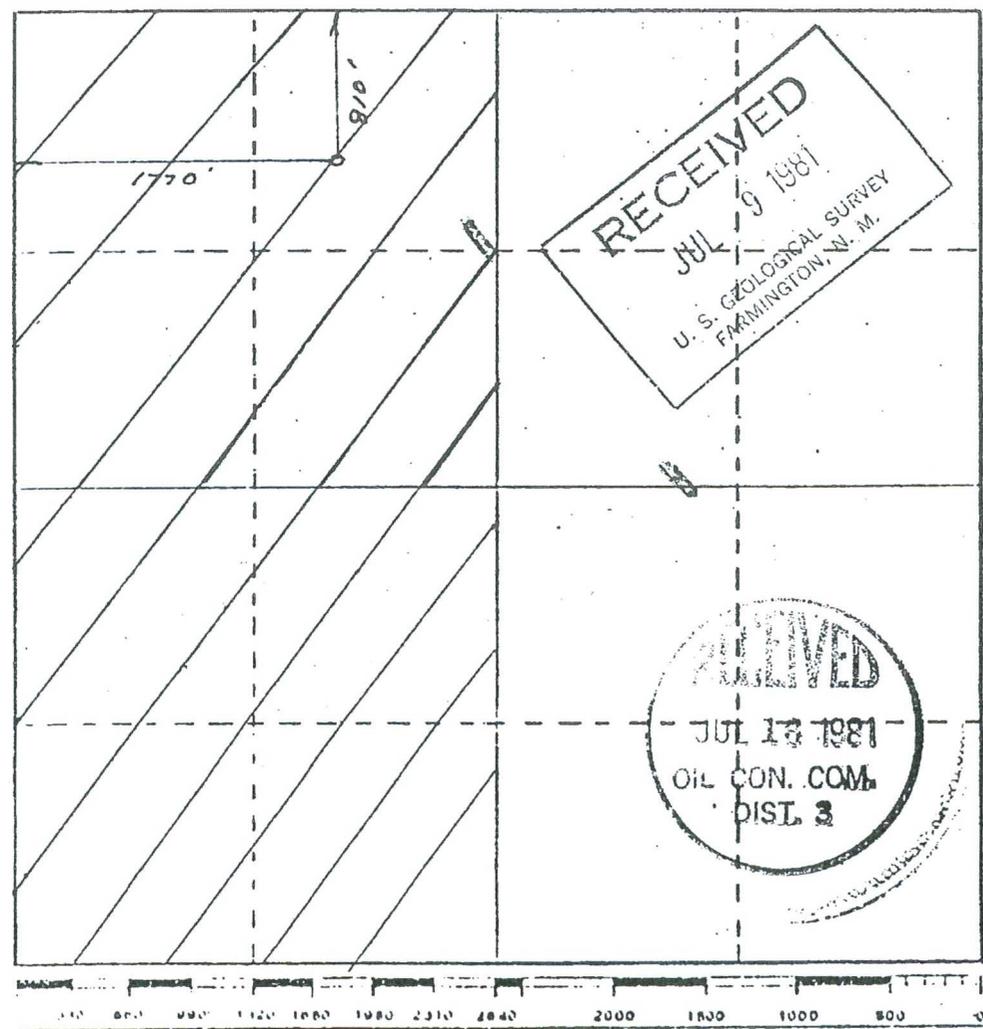
Operator Supron Energy Corporation		Leasing SF-078430		Well No. Wickson 11-E	
Well Letter C	Section 11	Township 26 North	Range 8 West	County San Juan	
Actual Location of Well: 810 feet from the North line and 1770 feet from the West line.					
Ground Level Elev. 6229'	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George Lapaseotes
 Name **George Lapaseotes**
 V. Pres. Powers Elevation
 Position
Agent Consultant for
 Company
Supron Energy Corporation
 Date
August 26, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

29
 Date Surveyed
General J. Huddleston
 Registered Professional Engineer
 and or Licensed Surveyor
 DISTRICT 3
6844

Certificate No. _____

NMOCC

BY *Dean Elliott*

Nickson #11E

	Ballard Pictured Cliffs		Basin Dakota	
	Oil BBI/Mo.	Gas MCF/Mo.	Oil BBI/Mo.	Gas MCF/Mo.
Jan-10	0	271	12	1423
	0	245	10	1239
	0	233	7	1017
	0	193	20	1066
	0	198	8	844
	0	208	15	915
	0	245	10	1357
	0	245	12	1303
	0	223	4	1245
	0	178	4	874
	0	244	0	1303
	0	255	22	1135
	Jan-10	0	259	23
0		239	0	1224
0		263	18	1302
0		246	20	1240
0		251	4	1260
0		253	16	1244
0		252	15	1333
0		217	10	851
0		229	10	905
0		261	12	1195
0		213	12	907
0		265	21	1295
Jan-10		0	268	15
	0	254	15	1189
	0	255	16	1139
	0	246	18	1169
	0	245	12	1187
	0	234	11	1170
	0	233	7	1106
	0	226	17	1197
	0	189	6	785
	0	269	12	1349
	0	263	15	1323
	0	265	15	1370
	Jan-10	0	254	15
0		225	13	1144

	0	240	14	1276
	0	231	13	1228
	0	229	19	1242
	0	484	7	590
	0	313	0	201
	0	363	0	98
	0	271	0	43
	0	517	0	23
	0	711	0	1106
	0	478	17	1314
Jan-10	0	437	10	799
	0	524	6	278
	0	465	0	93
	0	0	27	1840
	0	0	33	1566
	0	30	24	1398
	0	30	14	1451
	0	17	0	847
	0	0	0	17
	0	304	0	183
	0	305	10	167
	0	39	10	2072
5 year averag	0	252	11	1034

Allocation	0%		100%	
		19.6%		80.4%

Rate/Time Graph

Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

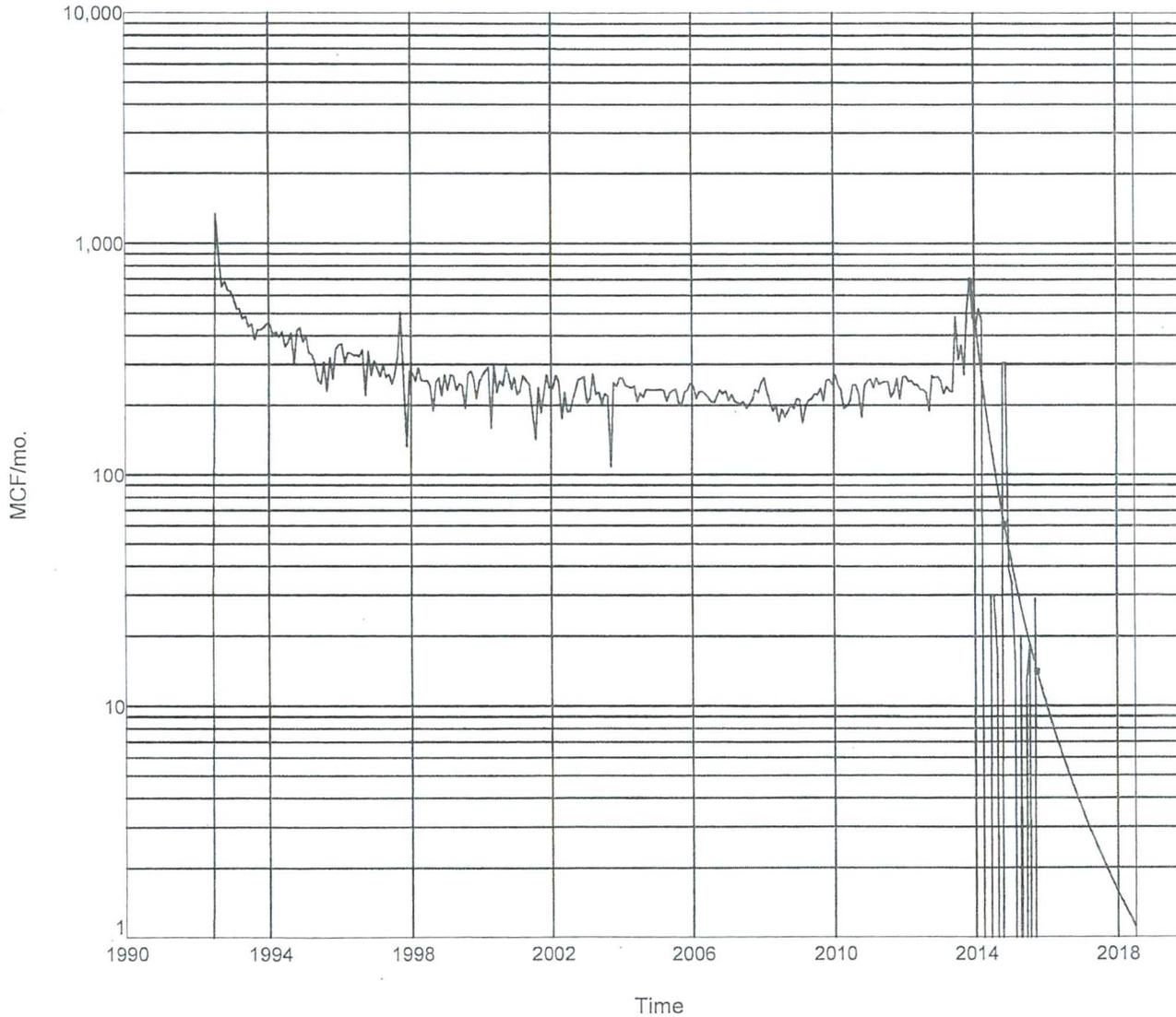
Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)
County, ST: SAN JUAN, NM
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED
Field Name: BALLARD **PC**

ALLOCATION PERIODS



Gas Curve:

Segment 1: 12/1/2013 - 10/1/2015
Start Rate: 684 mcf
End Rate: 14 mcf
Decline: 97.5491
Hyp Exponent: 0.266071
Goodness of Fit: 0.538785
Fit Grade: 4

Water Curve:

Segment 1: 8/1/2014 - 5/1/2015
Start Rate: 18 bbl
End Rate: 32 bbl
Decline: -122.0211
Hyp Exponent: 0.000000
Goodness of Fit: 0.882688
Fit Grade: 3

Rate/Time Graph

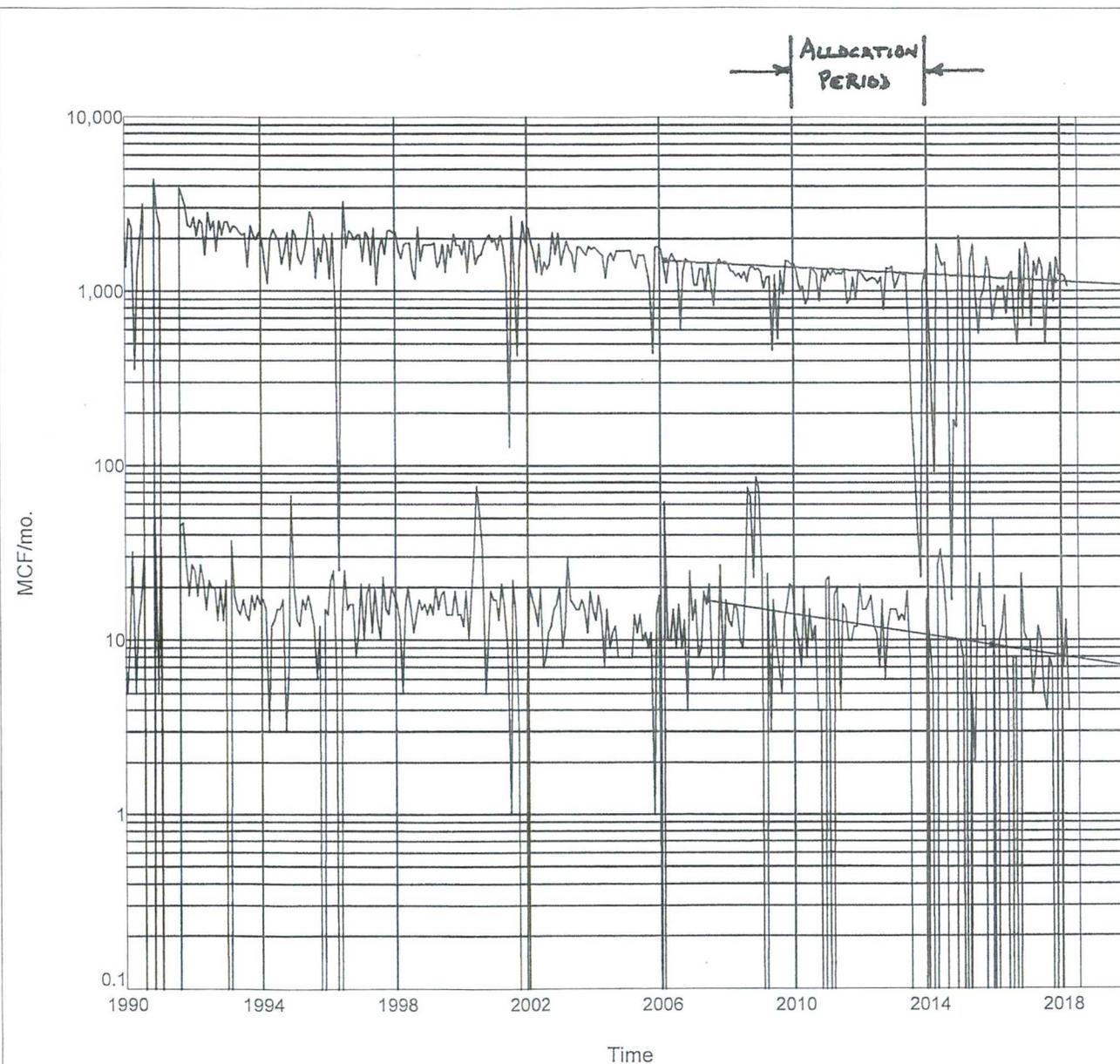
Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\Silver Creek 2016.mdb

Date: 7/20/2018

Time: 2:47 PM

Lease Name: NICKSON (11E)
County, ST: SAN JUAN, NM
Location: N26 W8 11 SW NE NW

Operator: COLEMAN OIL & GAS INCORPORATED
Field Name: BASIN DK



Oil Curve:

Segment 1: 6/1/2007 - 12/1/2015
Start Rate: 17 bbl
End Rate: 9 bbl
Decline: 6.6414
Hyp Exponent: 0.000000
Goodness of Fit: 1.000000
Fit Grade: 1

Gas Curve:

Segment 1: 3/1/2006 - 11/1/2017
Start Rate: 1,493 mcf
End Rate: 1,144 mcf
Decline: 2.2548
Hyp Exponent: 0.000000
Goodness of Fit: 1.000000
Fit Grade: 1

Water Curve:

Segment 1: 1/1/2015 - 1/1/2016
Start Rate: 12 bbl
End Rate: 112 bbl
Decline: -863.7113
Hyp Exponent: 0.000000
Goodness of Fit: 0.694362
Fit Grade: 4

Original: Nickson #22

KB: 0.0'
DF: 0.0'
GL: 0.0'
Datum: 0.0' above GL

**Nickson #11E
Dual completion**

bem/sdb 3/31/11
API #30-045-24563
810' FNL & 1770' FWL
Section 11, T26N-R8W
San Juan Co., NM

Spud: 12/17/80

12-1/4" Hole
Surface Casing: 8-5/8" 17 & 23 #/ft
set @ 315' w/ 275 sx cement
circulated to surface

7-7/8" Hole

DV Tool @ 2347' w/774 sx cement

Ballard Pictured Cliffs

Perfs: 2216-2246', 10 holes
Acid: 1008 gal HCL, 200 ball sealers
Frac: 37500 lb sand & 394400
scf nitrogen

DV Tool @ 4685' w/334 sx cement

Basin Dakota

Perfs: 6556-6756, 22 holes
Acid: 2000 gal HCL, 44 ball sealers
Frac: 79968 gal & 160000 lb sand

Production Casing: 4-1/2" 10.5 #/ft
K55 set @ 7010' w/ 438 sx cement

PBTD = 6968'
TD = 7002'

Tubing: 1-1/2" 2.9 #/ft

Baker blast joints 2208-2256' 5/30/81

Sliding sleeve @ 6384' (?)

Baker Model D Packer @ 6390'
5/29/81 seal assembly in place

Baker Model D Pkr @ 6400'
set on 5/10/81 (no seal assembly)

EOT @ 6634' (6530' calc actual?)

Backer Model D Pkr @ 6667'
set 4/28/81 (no seal assembly)

Last WO:
Updated: 3/31/11

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. SF 078430
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Nickson #11E
9. API Well No. 30-045-24563
10. Field and Pool, or Exploratory Area Ballard Pictured Cliffs/ Basin Dakota
11. County or Parish, State San Juan

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Epic Energy, LLC	
3a. Address 7415 E. Main, Farmington, NM, 87402	3b. Phone No. (include area code) 505-327-4892
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 810' FNL and 1770' FWL, Sec. 11, T26N, R8W	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>Downhole</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>Commingle</u>
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Epic Energy, LLC proposes to downhole commingle the production from the Basin Dakota (71599) and the Ballard Pictured Cliffs (71439) in the subject wellbore. These two pools are "pre-approved" under Division Order R-11363. All working and revenue interests in the two pools are identical. The Basin Dakota is perforated from 6556' to 6756'. The Ballard Pictured Cliffs is completed in the interval from 2216' to 2246'. Based on the production from 2010 through 2014, it is proposed to allocate 80.4% of the gas production and 100% of the oil production to the Dakota formation and 19.6% of the gas production to the Pictured Cliffs formation. Downhole commingling of these two zones will not reduce the value of the total remaining production.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Paul C. Thompson, P.E.	Title President
Signature 	Date July 20, 2018

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.